

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

JUNE 29, 2000

IN RE:

PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY

)
)
)
)

DOCKET NO.
99-00724

ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on February 15, 2000, for a decision on the Petition of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") for expansion of its service area to include the Bolton area of Shelby County, Tennessee.

Legal Standard for Granting CCN

On-Site's Petition was made pursuant to and was considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201, which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as

defined by law, without having first obtained, in like manner, a similar certificate . . .

Background

On April 4, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide sewer service to Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On September 28, 1999, On-Site filed its Petition to amend its CCN to include the Bolton area of Shelby County in its service territory. Maps showing the area On-Site proposes to extend service to are attached to its Petition. In its Petition, On-Site states that the sewer service provider located closest to the Bolton area, the City of Bartlett, advised that it has no intentions of providing service to the Bolton area. In addition, On-Site stated that to the best of its knowledge Shelby County has no present means of providing service to this area, but stated further that Shelby County had not responded to On-Site's request to provide service to the area at the time On-Site filed its Petition. By letter dated October 13, 1999, On-Site notified the Authority that the Mayor of Shelby County had informed On-Site that Shelby County has no plans to establish sewer service to the Bolton area.

On-Site's tariff in effect at the time it filed its Petition provides for a total monthly rate of \$8.49 for sewer service, applicable to all of On-Site's service areas. At the Authority Conference held on January 11, 2000, the Authority approved a revised set of rates for On-Site's sewer services in Docket No. 99-00393. These revised rates will vary among the different areas On-Site serves. On January 14, 2000, On-Site filed an addendum to its Petition in this docket reflecting the changes in On-Site's rates approved

in Docket No. 99-00393. The addendum states that residential rates for the Bolton area will be as follows:

Total monthly charge	\$32.68
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

The addendum states that commercial sewer rates for this area will be based on waste strength, system components, and gallons of flow, which On-Site states are unknown at this time.

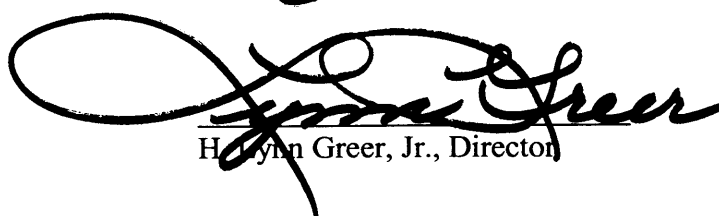
On February 15, 2000, On-Site's Petition came before the Authority at a regularly scheduled Authority Conference. Upon consideration of the Petition and pertinent portions of the record, the Authority finds that approval of On-Site's Petition would benefit the present and future public convenience and necessity. Pursuant to Tenn. Code Ann. § 65-4-201, the Authority grants On-Site's Petition as amended in its January 14, 2000 addendum.

IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service territory to include the Bolton area of Shelby County, as shown in maps attached to the Petition, is approved;
2. On-Site's rates for sewer service to the Bolton area shall be as listed in the January 14, 2000 addendum to On-Site's Petition and as set forth in this Order;
3. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from the date of this Order; and

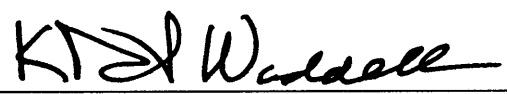
4. Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from the date of this Order.


Melvin I. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary